

Salary and Compensation Negotiation

Jill Rouleau

Step 1: Actually Negotiate

Seriously. Do it.

That's the entire slide.

Know Your Worth

- Know how much your skills are worth in the market
- Know what your desired salary is
- Know what your minimum acceptable salary is
- Know what non-salary compensation is meaningful to you

Know Your Worth - Online Research

- <https://www.salary.com>
- <https://www.payscale.com>
- <https://www.glassdoor.com>
- <https://www.linkedin.com/salary/>
- <https://insights.stackoverflow.com/survey/2019#salary>
- <https://www.idginsiderpro.com/article/3519409/it-salary-survey-compensation-for-most-tech-pros-continues-to-rise.html>
 - (search the web for: Computer World Annual Salary Report)

Know Your Worth - Ask

- Ask people you know in similar roles / companies
- Ask managers you know how their company determines compensation
- Ask around your local Linux User Group!
- Talk Pay events

Know Your Worth - Modifiers

A Senior Developer is a Senior Developer is a Senior Developer, right?

- Deep Subject Matter Expertise (SME) in a relevant field
- Cross Discipline Expertise (Cloud + Security + Flux Capacitor == \$\$?)
- Hot Tech
 - Cloud Native Application Architecture
 - Cloud Orchestration / Management
 - Kubernetes
 - AI / ML / Tensorflow
 - Rust / Golang

All jobs are the same, right?

Lots of factors that can affect compensation

- Company size
- Industry
- Location matters!
- Pre-IPO startups
- FAANG (Facebook, Amazon, Apple, Netflix, Google)

<insert the hard part of actually applying
to, interviewing for, and being offered a
job here>

When To Start Negotiating

- When you get an offer - in writing!
- Ask for a range early in the process, negotiate late

Common Pitfalls

Recruiter tricks (sorry, Tucker!):

- What is your current / most recent salary?
- How much do you want?
- Asking you to commit to a verbal offer
- Pressure to accept the offer immediately

What is your current / most recent salary?



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What is your current / most recent salary?

- My current (or most recent) employer's compensation package structure is their proprietary and confidential information, I'm sure you understand.
- It sounds like you're trying to qualify me for a range, if you can share what the range is I can tell you if it's in my ballpark.
- I'm looking for a market appropriate compensation package for this role, not my previous role.
- I'm not applying for my current role, I'm applying for this one.

How much do you want?

- I'm sure Acme Co has a range budgeted for this role, and I'm interested in hearing more about that.
- I'd love to hear more about how Acme Co structures their compensation package before I make any decisions about base salary numbers.
- I'm looking for a market appropriate compensation package, we can get into the details once we get to a formal offer.

Go Time!

YOU'RE HIRED!!

Great, I'm in, let's sign!

...

Not so fast there.

Go Time!

YOU'RE HIRED!!

“Wow that’s great news, I’m really excited about the team at Acme Co and I’m glad to hear they’re excited about what I bring to table. Go ahead and email me that offer, I’ll look it over, sleep on it, and get back to you on Thursday.”

The offer is perfect!

I accept!

NOPE.

Guilt Is A Useless Emotion

- They won't want me if I ask for too much
- They'll change their minds
- I'll seem arrogant or selfish
- I'm not really worth that much, am I?

Cost of getting to an offer

- Opportunity cost of not having enough people to get the work done
- Posting the req (Dice, StackOverflow, LinkedIn, etc all charge for postings)
- Recruiter time spent finding and screening candidates
- Hiring manager time reviewing and interviewing
- Engineering time interviewing candidates
- Multiply by however many qualified candidates

Estimated cost: \$30,000 - \$50,000

Cost of employing an FTE

I make \$50,000 dollars! That's how much it costs to employ me, right?!

An extra \$5,000 would be a big deal to me, must be a big deal to them too, right?

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Cost of employing an FTE

Base Salary: \$50,000

Social Security Tax*: \$3,100

Medicare Tax*: \$725

FUTA*: \$42

AZ Unemployment Tax*: \$140

Total: \$54,007

* Rough estimate for illustration purposes only

But wait, there's more!

Cost of employing an FTE

- Payroll costs: \$54,007
- Office and productivity applications: G-Suite, Slack, an IDE, etc
- Business operations software seats: ADP, HRM, Concur, Workday, etc
- Office furniture: every 5-7 years
- Laptop: Every 3 years

But wait there's still more!

- Insurance premiums (employer portion)
- 401k Match
- Liability insurance or bonds
- Real estate for you to be able to park your butt in a chair
- PTO has a cost to the employer
- Overhead cost of employing a manager for every X employees

Cost of employing an FTE

“CNN’s reporter Jose Pagliery said that the real salary of an employee ends up “being 18% to 26% more than a worker’s base salary.”

“Joe Hadzima, a Senior Lecturer at MIT who provides a simple formula to calculate the actual cost of an employee. According to Hadzima, once you have taken into consideration basic salary, taxes and benefits, the real costs of your employees are typically in the 1.25 to 1.4 times base salary range.”

Your \$50,000 base salary easily has a \$60,976 - \$70,000 cost to your employer

Go ahead - ask for \$55,000!

(They've already budgeted for far more than 50k)

Compensation Package

- Base salary
- Bonuses or other incentive pay
- Stock
- PTO
- Flexible schedule
- Other benefits

What matters to you?

Equity

- I am not a lawyer
- I am not your lawyer
- I am not a financial advisor
- I am not your financial advisor
- I have no fiduciary responsibility to you or anyone else

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Equity

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But what about...

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I'm still unsure?

- But what is my value?
 - Add 15% to their initial offer
- I don't think I can respond confidently the recruiter's questions!
 - Find a friend - or someone from your local LUG! - and practice
- I'm a member of a traditionally marginalized group, how do I make sure I'm not getting screwed over?
 - Talking openly and frequently with your peers about compensation
 - Advocate relentlessly for yourself in negotiations
 - Be willing to walk away

Resources

- <https://fearlessalarynegotiation.com/>
- <https://www.kalzumeus.com/2012/01/23/salary-negotiation/>
- <https://web.archive.org/web/20160227082425/http://anonymousshash.vmbresseur.com/resources/negotiation/>
 - (search archive.org for <http://anonymousshash.vmbresseur.com/resources/negotiation/>)